

from Arizona (Mr. STUMP) for yielding me this time. There is no one who has done more for veterans in this country. I appreciate his working to get this legislation to the floor today. I do want to thank the gentleman from Illinois (Mr. EVANS) for his strong support for this legislation.

Madam Speaker, H.R. 559 would do a very simple thing. It would add a rare form of cancer, bronchiolo-alveolar pulmonary carcinoma, to the list of cancers that are presumed to be service connected for veterans who were exposed to radiation, in accordance with the provisions of Public Law 100-321.

In 1986, Madam Speaker, I became acquainted with Joan McCarthy, a constituent from New Jersey. Mrs. McCarthy has worked for many years to locate other atomic veterans and their widows and she founded the New Jersey Association of Atomic Veterans.

Joan's husband, Tom McCarthy, was a participant in Operation Wigwam, a nuclear test in May of 1955 which involved an underwater detonation of a 30-kiloton plutonium bomb in the Pacific Ocean about 500 miles southwest of San Diego. Tom served as a navigator on the U.S.S. *McKinley*, one of the ships assigned to observe Operation Wigwam. The detonation of the nuclear weapon broke the surface of the water, creating a giant wave and bathing the area with a radioactive mist. Government reports indicate that the entire test area was awash with airborne particulates of the detonation. The spray from the explosion was described in the official government reports as, and I quote, an insidious hazard which turned into an invisible radioactive aerosol, close quote. Tom spent 4 days in this environment while serving aboard the U.S.S. *McKinley*.

In April of 1981 at the age of 44, Tom McCarthy died of a rare form of lung cancer, bronchiolo-alveolar pulmonary carcinoma. This illness is a non-smoking-related cancer. It is estimated that about 97 percent of all lung cancers are caused by smoking. On his deathbed Tom told his wife Joan about his involvement in Operation Wigwam and wondered about the fate of the other men who were stationed on the U.S.S. *McKinley* and other ships in the area.

Madam Speaker, it has been well documented that exposure to ionizing radiation can cause this particular type of lethal cancer. The National Research Council cited Department of Energy studies in the BEIR V reports, stating that, and I quote, bronchiolo-alveolar carcinoma is the most common cause of delayed death from inhaled plutonium 239. The BEIR V report notes that this cancer is caused by inhalation and deposition of alpha-emitting plutonium particles.

Madam Speaker, the Department of Veterans Affairs has also acknowledged the clear linkage between this ailment and radiation exposure. I include that information for the RECORD at this point.

The Veterans' Advisory Committee on Environmental Hazards considered the issue of the radiogenicity of bronchiolo-alveolar carcinoma and advised me that, in their opinion, this form of lung cancer may be associated with exposure to ionizing radiation. They commented that the association with exposure to ionizing radiation and lung cancer has been strengthened by such evidence as the 1988 report of the United Nations Scientific Committee on the Effects of Atomic Radiation, the 1990 report of the National Academy of Sciences' Committee on the Biological Effects of Ionizing Radiations (the BEIR V Report), and the 1991 report of the International Committee on Radiation Protection. The Advisory Committee went on to state that when it had recommended that lung cancer be accepted as a radiogenic cancer, it was intended to include most forms of lung cancer, including bronchiolo-alveolar carcinoma.

Back in 1985, Madam Speaker, I met with former Secretary Brown of the VA and he assured me that the VA would not oppose Congress taking action to add this disease to the presumptive list. Notwithstanding this fact, the VA continues to deny Joan McCarthy's claim for survivor's benefits, a clear outrage and I think a miscarriage of justice.

Finally, just let me say that CBO estimates that this will cost the government on average about \$10,000 a year for each affected widow. CBO estimates that the cost will be approximately \$13.5 million over a 5-year period. I do hope that this legislation will get the full support of the body. While nothing can replace their loved ones, these widows deserve this very small compensation—it is the least we can do.

Mr. STUMP. Madam Speaker, I yield 2 minutes to the gentleman from New York (Mr. GILMAN), the chairman of the Committee on International Relations.

(Mr. GILMAN asked and was given permission to revise and extend his remarks.)

Mr. GILMAN. Madam Speaker, I would like to commend the distinguished chairman of our Committee on Veterans' Affairs the gentleman from Arizona (Mr. STUMP) and the ranking Democratic member the gentleman from Illinois (Mr. EVANS) for their cooperation in bringing this bill to the floor at this time. I want to commend the gentleman from New Jersey (Mr. SMITH) for taking on this issue. We cannot do enough for our veterans. Where we have specific diseases that have been related to their service on behalf of our Nation, we must do whatever we can to make certain that they are going to be taken care of.

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H.R. 559 in adding bronchiolo-alveolar carcinoma to the list of diseases presumed to be service connected for certain radiation exposed veterans is an issue that deserves our consideration today, and I welcome this opportunity of participating in this legislation that will help a veteran who has been exposed to radiation of this kind in connection with his service, and we

must examine all cases of this nature to make certain that our veterans are going to be properly taken care of, and I know that our Committee on Veterans' Affairs under the Chair of the gentleman from Arizona (Mr. STUMP) goes out of its way to make certain that we do not neglect our veterans, and for that I commend him.

Mr. RODRIGUEZ. Mr. Speaker, I rise in strong support of H.R. 559, a bill which is long overdue. This bill represents one step for Congress to correct an injustice against some of our nation's veterans. By designating this rare lung disease as a service-connected illness, we can open the door to just compensation for those veterans with unexplained illnesses brought about from their service to our nation.

Radiation exposure is common among our troops. As we have seen in the aftermath of the Gulf War, thousands of our veterans continue to languish with unexplained illnesses which the DOD and VA are unable to designate as compensable diseases. Even with evidence that these illnesses could come from nowhere else but military service, our government has dropped the ball.

Mr. Speaker, passage of H.R. 559 will bring relief to the hundreds of veterans who suffer from this disease. On top of that, H.R. 559 should help usher in broader legislation to compensate the thousands of veterans who suffer from illnesses caused by exposure to radiation while in the service.

Mr. STUMP. Madam Speaker, I have no further speakers.

Mr. EVANS. Madam Speaker, I yield back the balance of my time.

Mr. STUMP. Madam Speaker, I yield back the balance of my time.

The SPEAKER pro tempore (Mrs. EMERSON). The question is on the motion offered by the gentleman from Arizona (Mr. STUMP) that the House suspend the rules and pass the bill, H.R. 559.

The question was taken.

Mr. SMITH of New Jersey. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The SPEAKER pro tempore. Pursuant to clause 5 of rule I and the Chair's prior announcement, further proceedings on this motion will be postponed.

GOVERNMENT WASTE, FRAUD, AND ERROR REDUCTION ACT OF 1998

Mr. HORN. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 4243) to reduce waste, fraud, and error in government programs by making improvements with respect to Federal management and debt collection practices, Federal payment systems, Federal benefit programs, and for other purposes as amended.

The Clerk read as follows:

H.R. 4243

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE; TABLE OF CONTENTS.

(a) SHORT TITLE.—This Act may be cited as the "Government Waste, Fraud, and Error Reduction Act of 1998".

(b) TABLE OF CONTENTS.—The table of contents for this Act is as follows:

- Sec. 1. Short title; table of contents.
- Sec. 2. Purposes.
- Sec. 3. Definition.

TITLE I—GENERAL MANAGEMENT IMPROVEMENTS

- Sec. 101. Improving financial management.
- Sec. 102. Improving travel management.

TITLE II—IMPROVING FEDERAL DEBT COLLECTION PRACTICES

- Sec. 201. Miscellaneous technical corrections to subchapter II of chapter 37 of title 31, United States Code.
- Sec. 202. Barring delinquent Federal debtors from obtaining Federal benefits.
- Sec. 203. Collection and compromise of nontax debts and claims.

TITLE III—SALE OF DEBTS OWED TO UNITED STATES

- Sec. 301. Authority to sell debts.
- Sec. 302. Requirement to sell certain debts.

TITLE IV—TREATMENT OF HIGH VALUE DEBTS

- Sec. 401. Annual report on high value debts.
- Sec. 402. Review by Inspectors General.
- Sec. 403. Requirement to seek seizure and forfeiture of assets securing high value debt.

TITLE V—FEDERAL PAYMENTS

- Sec. 501. Transfer of responsibility to Secretary of the Treasury with respect to prompt payment.
- Sec. 502. Promoting electronic payments.

SEC. 2. PURPOSES.

The purposes of this Act are the following:

- (1) To reduce waste, fraud, and error in Federal benefit programs.
- (2) To focus Federal agency management attention on high-risk programs.
- (3) To better collect debts owed to the United States.
- (4) To improve Federal payment systems.
- (5) To improve reporting on Government operations.

SEC. 3. DEFINITION.

As used in this Act—

- (1) the term “nontax debt” means any debt other than a debt under the Internal Revenue Code of 1986 or the Tariff Act of 1930; and
- (2) the term “nontax claim” means any claim other than a claim under the Internal Revenue Code of 1986 or the Tariff Act of 1930.

TITLE I—GENERAL MANAGEMENT IMPROVEMENTS

SEC. 101. IMPROVING FINANCIAL MANAGEMENT.

(a) REPEAL.—Section 3515 of title 31, United States Code, is amended—

- (1) in subsection (a)—
- (A) by striking “1997” and inserting “1999”; and
- (B) by inserting “Congress and” after “submit to”;

- (2) by striking subsection (e); and
- (3) by striking subsections (f), (g), and (h).

(b) PRODUCTION OF DOCUMENTS.—

(1) AUTHORITY.—Section 5114(a) of title 31, United States Code, is amended—

- (A) by inserting “(1)” after “(a)”; and
- (B) by adding at the end the following new paragraph:

“(2) The Secretary of the Treasury may, if the Secretary determines that it will not interfere with engraving and printing needs of the United States—

“(A) produce currency, postage stamps, and other security documents for foreign governments, subject to a determination by the Secretary of State that such production would be consistent with the foreign policy of the United States; and

“(B) produce security documents for States and their political subdivisions.”.

(2) REIMBURSEMENT.—Section 5143 of title 31, United States Code, is amended—

(A) in the first sentence, by inserting “, foreign government, or individual State or any political subdivision thereof” after “agency”; and

(B) in the last sentence, by inserting “, foreign government, or individual State or any political subdivision thereof” after “agency”.

(d) EFFECTIVE DATES.—

(1) IN GENERAL.—Except as provided in paragraph (2), this section shall take effect on the date of the enactment of this Act.

(2) SECRETARY'S WAIVER AUTHORITY.—Subsection (a)(1) of this section shall take effect March 1, 1998.

SEC. 102. IMPROVING TRAVEL MANAGEMENT.

(a) LIMITED EXCLUSION FROM REQUIREMENT REGARDING OCCUPATION OF QUARTERS.—Section 5911(e) of title 5, United States Code, is amended by adding at the end the following new sentence: “The preceding sentence shall not apply with respect to lodging provided under chapter 57 of this title.”.

(b) USE OF TRAVEL MANAGEMENT CENTERS, AGENTS, AND ELECTRONIC PAYMENT SYSTEMS.—

(1) REQUIREMENT TO ENCOURAGE USE.—The head of each executive agency shall, with respect to travel by employees of the agency in the performance of the employment duties by the employee, require, to the extent practicable, the use by such employees of travel management centers, travel agents authorized for use by such employees, and electronic reservation and payment systems for the purpose of improving efficiency and economy regarding travel by employees of the agency.

(2) PLAN FOR IMPLEMENTATION.—(A) The Administrator of General Services shall develop a plan regarding the implementation of this subsection and shall, after consultation with the heads of executive agencies, submit to Congress a report describing such plan and the means by which such agency heads plan to ensure that employees use travel management centers, travel agents, and electronic reservation and payment systems as required by this subsection.

(B) The Administrator shall submit the plan required under subparagraph (A) not later than March 31, 1999.

TITLE II—IMPROVING FEDERAL DEBT COLLECTION PRACTICES

SEC. 201. MISCELLANEOUS TECHNICAL CORRECTIONS TO SUBCHAPTER II OF CHAPTER 37 OF TITLE 31, UNITED STATES CODE.

(a) CHILD SUPPORT ENFORCEMENT.—Section 3716(h)(3) of title 31, United States Code, is amended to read as follows:

“(3) In applying this subsection with respect to any debt owed to a State, other than past due support being enforced by the State, subsection (c)(3)(A) shall not apply.”.

(b) CHARGES BY DEBT COLLECTION CONTRACTORS.—

(1) COLLECTION BY SECRETARY OF THE TREASURY.—Section 3711(g) of title 31, United States Code, is amended by adding at the end the following:

“(11) The amount received by a person for performance of collection services under this section shall not be limited by State law, and reasonable collection costs may be charged to the debtor notwithstanding any provision of State law. The preceding sentence shall not apply to the collection of child support debt by any person.”.

(2) COLLECTION BY PROGRAM AGENCY.—Section 3718 of title 31, United States Code, is amended by adding at the end the following:

“(h) The amount received by a person for performance of collection services under this

section or section 3711(g) of this title shall not be limited by State law.”.

(c) DEBT SALES.—Section 3711 of title 31, United States Code, is amended by striking subsection (i).

(d) GAINSHARING.—Section 3720C(b)(2)(D) of title 31, United States Code, is amended by striking “delinquent loans” and inserting “debts”.

(e) PROVISIONS RELATING TO PRIVATE COLLECTION CONTRACTORS.—

(1) COLLECTION BY SECRETARY OF THE TREASURY.—Section 3711(g) of title 31, United States Code, is further amended by adding at the end the following:

“(12) In attempting to collect under this subsection through the use of garnishment any debt owed to the United States, a private collection contractor shall not be precluded from verifying the debtor's current employer, the location of the payroll office of the debtor's current employer, the period the debtor has been employed by the current employer of the debtor, and the compensation received by the debtor from the current employer of the debtor.

“(13)(A) The Secretary of the Treasury shall provide that any contract with a private collection contractor under this subsection shall include a provision that the contractor shall be subject to penalties under the contract—

“(i) if the contractor fails to comply with any restrictions under applicable law regarding the collection activities of debt collectors; or

“(ii) if the contractor engages in unreasonable or abusive debt collection practices in connection with the collection of debt under the contract.

“(B) Notwithstanding any other provision of law, a private collection contractor under this subsection—

“(i) shall not be subject to any liability or contract penalties in connection with efforts to collect a debt pursuant to a contract under this subsection by reason of actions that are required by the contract or by applicable law or regulations; and

“(ii) shall not be subject to payment of statutory damages or attorney's fees by reason of any action in connection with efforts to collect such debt, except in a case of bad faith or intentional misconduct by the contractor.

“(14) Performance of a contractor under any contract entered into under this subsection, including without limitation any contract in effect on the date of enactment of the Government Waste, Fraud, and Error Reduction Act of 1998, shall be measured, and allocation of account placements and bonus compensation shall be determined, solely through an evaluation methodology that bases not less than 50 percent of the contractor's score under such evaluation on the contractor's gross collections net of commissions (as a percentage of account amounts placed with the contractor) under the contract. The frequency of valid borrower complaints shall be considered in the evaluation criteria.

“(15) In selecting contractors for performance of collection services, the Secretary of the Treasury shall evaluate bids received through a methodology that bases not less than 50 percent of the bidder's score in such evaluation on the bidder's prior performance in terms of net amounts collected under government collection contracts of similar size. The frequency of valid borrower complaints shall be considered in the evaluation criteria.”.

(2) COLLECTION BY PROGRAM AGENCY.—Section 3718 of title 31, United States Code, is further amended by adding at the end the following:

“(i) In attempting to collect under this subsection through the use of garnishment

any debt owed to the United States, a private collection contractor shall not be precluded from verifying the current place of employment of the debtor, the location of the payroll office of the debtor's current employer, the period the debtor has been employed by the current employer of the debtor, and the compensation received by the debtor from the current employer of the debtor.

"(j)(1) The head of an executive, judicial, or legislative agency that contracts with a private collection contractor to collect a debt owed to the agency, or a guaranty agency or institution of higher education that contracts with a private collection contractor to collect a debt owed under any loan program authorized under title IV of the Higher Education Act of 1965, shall include a provision in the contract that the contractor—

"(A) shall be subject to penalties under the contract if the contractor fails to comply with any restrictions imposed under applicable law on the collection activities of debt collectors; and

"(B) shall be subject to penalties under the contract if the contractor engages in unreasonable or abusive debt collection practices in connection with the collection of debt under the contract.

"(2) Notwithstanding any other provision of law—

"(A) a private collection contractor under this section shall not be subject to any liability or contract penalties in connection with efforts to collect a debt owed to an executive, judicial, or legislative agency, or owed under any loan program authorized under title IV of the Higher Education Act of 1965, by reason of actions required by the contract, or by applicable law or regulations; and

"(B) such a contractor shall not be subject to payment of statutory damages or attorney's fees by reason of any action in connection with efforts to collect such a debt, except in a case of bad faith or intentional misconduct by the contractor.

"(k) Performance of a contractor under any contract for the performance of debt collection services entered into by a Federal agency, including without limitation any contract in effect on the date of enactment of the Government Waste, Fraud, and Error Reduction Act of 1998, shall be measured, and allocation of account placements and bonus compensation shall be determined, solely through an evaluation methodology that bases not less than 50 percent of the contractor's score under such evaluation on the contractor's gross collections net of commissions (as a percentage of account amounts placed with the contractor) under the contract. The frequency of valid borrower complaints shall be considered in the evaluation criteria.

"(3) In selecting contractors for performance of collection services, the head of an executive, judicial, or legislative agency shall evaluate bids received through a methodology that bases not less than 50 percent of the bidder's score in such evaluation on the bidder's prior performance in terms of net amounts collected under government collection contracts of similar size. The frequency of valid borrower complaints shall be considered in the evaluation criteria."

(3) CONSTRUCTION.—None of the amendments made by this subsection shall be construed as altering or superseding the provisions in section 362 of title 11, United States Code.

(f) CLERICAL AMENDMENT.—Section 3720A(h) of title 31, United States Code, is amended—

(1) beginning in paragraph (3), by striking the close quotation marks and all that fol-

lows through the matter preceding subsection (i); and

(2) by adding at the end the following:

"For purposes of this subsection, the disbursing official for the Department of the Treasury is the Secretary of the Treasury or his or her designee."

(g) CORRECTION OF REFERENCES TO FEDERAL AGENCY.—(1) Sections 3716(c)(6) and 3720A(a), (b), (c), and (e) of title 31, United States Code, are each amended by striking "Federal agency" each place it appears and inserting "executive, judicial, or legislative agency".

(2) Section 3716(h)(2)(C), of title 31, United States Code, is amended by striking "a Federal agency" and inserting "an executive, judicial, or legislative agency".

(h) CLARIFICATION OF INAPPLICABILITY OF ACT TO CERTAIN AGENCIES.—Notwithstanding any other provision of law, no provision in this Act, the Debt Collection Improvement Act of 1996 (chapter 10 of title III of Public Law 104-134; 31 U.S.C. 3701 note), chapter 37 or subchapter II of chapter 33 of title 31, United States Code, or any amendments made by such Acts or any regulations issued thereunder, shall apply to activities carried out pursuant to a law enacted to protect, operate, and administer any deposit insurance funds, including the resolution and liquidation of failed or failing insured depository institutions.

(i) CONTRACTS FOR COLLECTION SERVICES.—Section 3718 of title 31, United States Code, is amended—

(1) in the first sentence of subsection (b)(1)(A), by inserting "; or any monetary claim, including any claims for civil fines or penalties, asserted by the Attorney General" before the period;

(2) in the third sentence of subsection (b)(1)(A)—

(A) by inserting "or in connection with other monetary claims" after "collection of claims of indebtedness";

(B) by inserting "or claim" after "the indebtedness"; and

(C) by inserting "or other person" after "the debtor"; and

(3) in subsection (d), by inserting "or any other monetary claim of" after "indebtedness owed".

SEC. 202. BARRING DELINQUENT FEDERAL DEBTORS FROM OBTAINING FEDERAL BENEFITS.

(a) IN GENERAL.—Section 3720B of title 31, United States Code, is amended to read as follows:

"§ 3720B. Barring delinquent Federal debtors from obtaining Federal benefits

"(a)(1) A person shall not be eligible for the award or renewal of any Federal benefit described in paragraph (2) if the person has an outstanding nontax debt that is in a delinquent status with any executive, judicial, or legislative agency, as determined under standards prescribed by the Secretary of the Treasury. Such a person may obtain additional Federal benefits described in paragraph (2) only after such delinquency is resolved in accordance with those standards.

"(2) The Federal benefits referred to in paragraph (1) are the following:

"(A) Financial assistance in the form of a loan (other than a disaster loan) or loan insurance or guarantee.

"(B) Any Federal permit or license otherwise required by law.

"(b)(1) The Secretary of the Treasury may exempt any class of claims from the application of subsection (a) at the request of an executive, judicial, or legislative agency.

"(2) The Secretary of the Treasury may waive the application of subsection (a) with respect to any Federal permit or license otherwise required by law.

"(c)(1) The head of any executive, judicial, or legislative agency may waive the applica-

tion of subsection (a) to any Federal benefit that is administered by the agency based on standards promulgated by the Secretary of the Treasury.

"(2) The head of an executive, judicial, or legislative agency may delegate the waiver authority under paragraph (1) to the chief financial officer of the agency.

"(3) The chief financial officer of an agency to whom waiver authority is delegated under paragraph (2) may redelegate that authority only to the deputy chief financial officer of the agency. The deputy chief financial officer may not redelegate such authority.

"(d) As used in this section—

"(1) the term 'nontax debt' means any debt other than a debt under the Internal Revenue Code of 1986 or the Tariff Act of 1930; and

"(2) the term 'nontax claim' means any claim other than a claim under the Internal Revenue Code of 1986 or the Tariff Act of 1930."

(b) CLERICAL AMENDMENT.—The table of sections at the beginning of chapter 37 of title 31, United States Code, is amended by striking the item relating to section 3720B and inserting the following:

"3720B. Barring delinquent Federal debtors from obtaining Federal benefits."

(c) CONSTRUCTION.—The amendment made by this section shall not be construed as altering or superseding the provisions in section 525 of title 11, United States Code.

SEC. 203. COLLECTION AND COMPROMISE OF NONTAX DEBTS AND CLAIMS.

(a) USE OF PRIVATE COLLECTION CONTRACTORS AND FEDERAL DEBT COLLECTION CENTERS.—Paragraph (5) of section 3711(g) of title 31, United States Code, is amended to read as follows:

"(5)(A) Nontax debts referred or transferred under this subsection shall be serviced, collected, or compromised, or collection action thereon suspended or terminated, in accordance with otherwise applicable statutory requirements and authorities.

"(B) The head of each executive agency that operates a debt collection center may enter into an agreement with the Secretary of the Treasury to carry out the purposes of this subsection.

"(C) The Secretary of the Treasury shall—

"(i) maintain a schedule of private collection contractors and debt collection centers operated by agencies that are eligible for referral of claims under this subsection;

"(ii) maximize collections of delinquent debts by referring delinquent debts promptly;

"(iii) maintain competition between private collection contractors;

"(iv) ensure, to the maximum extent practicable, that a private collection contractor to which a debt is referred is responsible for any administrative costs associated with the contract under which the referral is made.

"(D) As used in this paragraph—

"(i) the term 'nontax debt' means any debt other than a debt under the Internal Revenue Code of 1986 or the Tariff Act of 1930; and

"(ii) the term 'nontax claim' means any claim other than a claim under the Internal Revenue Code of 1986 or the Tariff Act of 1930."

(b) LIMITATION ON DISCHARGE BEFORE USE OF PRIVATE COLLECTION CONTRACTOR OR DEBT COLLECTION CENTER.—Paragraph (9) of section 3711(g) of title 31, United States Code, is amended—

(1) by redesignating subparagraphs (A) through (H) as clauses (i) through (viii);

(2) by inserting "(A)" after "(9)";

(3) in subparagraph (A) (as designated by paragraph (2) of this subsection) in the matter preceding clause (i) (as designated by paragraph (1) of this subsection), by inserting "and subject to subparagraph (B)" after "as applicable"; and

(4) by adding at the end the following:

"(B)(i) The head of an executive, judicial, or legislative agency may not discharge a debt or terminate collection action on a debt unless the debt has been referred to a private collection contractor or a debt collection center, referred to the Attorney General for litigation, sold without recourse, administrative wage garnishment has been undertaken, or in the event of bankruptcy, death, or disability.

"(ii) The Secretary of the Treasury may, at the request of an agency, waive the application of clause (i) to any debt, or class of debts, if the Secretary of the Treasury determines that the waiver is in the best interest of the United States."

TITLE III—SALE OF DEBTS OWED TO UNITED STATES

SEC. 301. AUTHORITY TO SELL DEBTS.

(a) **PURPOSE.**—The purpose of this section is to provide that the head of each executive, judicial, or legislative agency shall establish a program of debt sales in order to—

(1) minimize the loan and debt portfolios of the agency;

(2) improve credit management while serving public needs;

(3) reduce delinquent debts held by the agency;

(4) obtain the maximum value for loan and debt assets; and

(5) obtain valid data on the amount of the Federal subsidy inherent in loan programs conducted pursuant to the Federal Credit Reform Act of 1990 (Public Law 93-344).

(b) **SALES AUTHORIZED.**—(1) The head of an executive, judicial, or legislative agency may sell, subject to section 504(b) of the Federal Credit Reform Act of 1990 (2 U.S.C. 661c(b)) and using competitive procedures, any nontax debt owed to the United States that is administered by the agency.

(2) Costs the agency incurs in selling debt pursuant to this section may be deducted from the proceeds received from the sale. Such costs may include, but are not limited to—

(A) the costs of computer hardware and software, processing and telecommunications equipment, other equipment, supplies, and furniture;

(B) personnel training and travel costs;

(C) other personnel and administrative costs;

(D) the costs of any contract for identification, billing, or collection services;

(E) the costs of contractors assisting in the sale of debt;

(F) the fees of appraisers, auctioneers, and realty brokers;

(G) the costs of advertising and surveying; and

(H) other reasonable costs incurred by the agency.

(3) Sales of debt under this section—

(A) shall be for—

(i) cash; or

(ii) cash and a residuary equity, joint venture, or profit participation, if the head of the agency, in consultation with the Director of the Office of Management and Budget and the Secretary of the Treasury, determines that the proceeds will be greater than the proceeds from a sale solely for cash;

(B) shall be without recourse against the United States, but may include the use of guarantees if otherwise authorized by law; and

(C) shall transfer to the purchaser all rights of the United States to demand payment of the debt, other than with respect to a residuary equity, joint venture, or profit participation under subparagraph (A)(ii).

(c) **EXISTING AUTHORITY NOT AFFECTED.**—This section is not intended to limit existing statutory authority of the head of an execu-

tive, judicial, or legislative agency to sell loans, debts, or other assets.

SEC. 302. REQUIREMENT TO SELL CERTAIN DEBTS.

(a) **SALE OF DELINQUENT LOANS.**—The head of each executive, judicial, or legislative agency shall sell any nontax loan owed to the United States by the later of—

(1) the date on which the debt becomes 24 months delinquent; or

(2) 24 months after referral of the debt to the Secretary of the Treasury pursuant to section 3711(g)(1) of title 31, United States Code. Sales under this subsection shall be conducted under the authority in section 301.

(b) **SALE OF NEW LOANS.**—The head of each executive, judicial, or legislative agency shall sell each loan obligation arising from a program administered by the agency, not later than 6 months after the loan is disbursed, unless the head of the agency determines that the sale would interfere with the mission of the agency administering the program under which the loan was disbursed, or the head of the agency, in consultation with the Director of the Office of Management and Budget and the Secretary of the Treasury, determines that a longer period is necessary to protect the financial interests of the United States. Such loan obligations shall be audited annually in accordance with generally accepted audit standards. Sales under this subsection shall be conducted under the authority in section 301.

(c) **SALE OF DEBTS AFTER TERMINATION OF COLLECTION ACTION.**—After terminating collection action, the head of an executive, judicial, or legislative agency shall sell, using competitive procedures, any nontax debt or class of debts owed to the United States unless the head of the agency, in consultation with the Director of the Office of Management and Budget and the Secretary of the Treasury, determines that the sale is not in the best financial interests of the United States. Such debts shall be audited annually in accordance with generally accepted audit standards.

(d) **LIMITATIONS.**—(1) The head of an executive, judicial, or legislative agency shall not, without the approval of the Attorney General, sell any debt that is the subject of an allegation of or investigation for fraud, or that has been referred to the Department of Justice for litigation.

(2) The head of an executive, judicial, or legislative agency may exempt from sale any class of debts if the head of the agency determines that the sale would interfere with the mission of the agency administering the program under which the indebtedness was incurred.

TITLE IV—TREATMENT OF HIGH VALUE NONTAX DEBTS

SEC. 401. ANNUAL REPORT ON HIGH VALUE NONTAX DEBTS.

(a) **IN GENERAL.**—Not later than 90 days after the end of each fiscal year, the head of each agency that administers a program that gives rise to a delinquent high value nontax debt shall submit a report to Congress that lists each such debt.

(b) **CONTENT.**—A report under this section shall, for each debt listed in the report, include the following:

(1) The name of each person liable for the debt, including, for a person that is a company, cooperative, or partnership, the names of the owners and principal officers.

(2) The amounts of principal, interest, and penalty comprising the debt.

(3) The actions the agency has taken to collect the debt, and prevent future losses.

(4) Specification of any portion of the debt that has been written-down administratively or due to a bankruptcy proceeding.

(5) An assessment of why the borrower defaulted.

(c) **DEFINITIONS.**—In this subsection:

(1) **AGENCY; DEBT.**—Each of the terms "agency" and "debt" has the meaning that term has in chapter 37 of title 31, United States Code, as amended by this Act.

(2) **HIGH VALUE NONTAX DEBT.**—The term "high value nontax debt" means a nontax debt having an outstanding value (including principal, interest, and penalties) that exceeds \$1,000,000.

SEC. 402. REVIEW BY INSPECTORS GENERAL.

(a) **INSPECTOR GENERAL REPORTS.**—The Inspector General of each agency shall review the annual report to Congress required in section 401 and make such recommendations as necessary to improve performance of the agency. Each Inspector General shall periodically review and report to Congress on the agency's debt collection management practices. As part of such reviews, the Inspector General shall examine agency efforts to reduce the aggregate amount of high value nontax debts that are resolved in whole or in part by compromise, default, or bankruptcy.

(b) **REPORT BY THE PRESIDENT'S COUNCIL ON INTEGRITY AND EFFICIENCY.**—Not later than 270 days after the end of each fiscal year, the President's Council on Integrity and Efficiency shall submit a report to the Committee on Government Reform and Oversight of the House of Representatives and the Committee on Governmental Affairs of the Senate which summarizes the reviews conducted by the inspector general under this section. Notwithstanding the preceding sentence, the Chairman of the President's Council on Integrity and Efficiency may submit such report in conjunction with an annual report on the collection of debts owed to the United States.

SEC. 403. REQUIREMENT TO SEEK SEIZURE AND FORFEITURE OF ASSETS SECURING HIGH VALUE NONTAX DEBT.

The head of an agency authorized to collect a high value nontax debt that is delinquent shall, when appropriate, promptly seek seizure and forfeiture of assets pledged to the United States in any transaction giving rise to the nontax debt. When an agency determines that seizure or forfeiture is not appropriate, the agency shall include a justification for such determination in the report under section 401.

TITLE V—FEDERAL PAYMENTS

SEC. 501. TRANSFER OF RESPONSIBILITY TO SECRETARY OF THE TREASURY WITH RESPECT TO PROMPT PAYMENT.

(a) **DEFINITION.**—Section 3901(a)(3) of title 31, United States Code, is amended by striking "Director of the Office of Management and Budget" and inserting "Secretary of the Treasury".

(b) **INTEREST.**—Section 3902(c)(3) of title 31, United States Code, is amended by striking "Director of the Office of Management and Budget" and inserting "Secretary of the Treasury".

(c) **REGULATIONS.**—Section 3903(a) of title 31, United States Code, is amended by striking "Director of the Office of Management and Budget" and inserting "Secretary of the Treasury".

(d) **REPORTS.**—Section 3906(a)(1) of title 31, United States Code, is amended by striking "Director of the Office of Management and Budget" each place it appears and inserting "Secretary of the Treasury".

SEC. 502. PROMOTING ELECTRONIC PAYMENTS.

(a) **EARLY RELEASE OF ELECTRONIC PAYMENTS.**—Section 3903(a) of title 31, United States Code, is amended—

(1) by amending paragraph (1) to read as follows:

"(1) provide that the required payment date is—

"(A) the date payment is due under the contract for the item of property or service provided; or

“(B) no later than 30 days after a proper invoice for the amount due is received if a specific payment date is not established by contract;” and

(2) by striking “and” after the semicolon at the end of paragraph (8), by striking the period at the end of paragraph (9) and inserting “; and”, and by adding at the end the following:

“(10) provide that the Secretary of the Treasury may waive the application of requirements under paragraph (1) to provide for early payment of vendors in cases where an agency will implement an electronic payment technology which improves agency cash management and business practice.”.

(b) AUTHORITY TO ACCEPT ELECTRONIC PAYMENT.—

(1) IN GENERAL.—Subject to an agreement between the head of an executive agency and the applicable financial institution or institutions based on terms acceptable to the Secretary of the Treasury, the head of such agency may accept an electronic payment, including debit and credit cards, to satisfy a debt owed to the agency.

(2) GUIDELINES FOR AGREEMENTS REGARDING PAYMENT.—The Secretary of the Treasury shall develop guidelines regarding agreements between agencies and financial institutions under paragraph (1).

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from California (Mr. HORN) and the gentleman from California (Mr. WAXMAN) each will control 20 minutes.

The Chair recognizes the gentleman from California (Mr. HORN).

Mr. HORN. Madam Speaker, I yield myself such time as I may consume.

Madam Speaker, according to the Department of the Treasury delinquent nontax debts owed to the Federal Government totaled \$51 billion at the end of fiscal year 1997. Of this amount \$47.2 billion was delinquent for more than 180 days. In addition, the Federal Government also writes off about \$10 billion per year. In short, Madam Speaker, collection of Federal debt is a major problem.

The bill before this House, H.R. 4243, the Government Waste, Fraud and Error Reduction Act of 1998 would improve the efficiency and economy of Federal debt collection practices. It builds on other debt collection initiatives such as the Debt Collection Improvement Act of 1996 which the gentlewoman from New York (Mrs. MALONEY) and myself brought to this Chamber and is now law, and it provides the Federal Government with additional tools to improve debt collection.

H.R. 4243 allows States to collect past due child support by offsetting the amount owed by a debtor from Federal benefits paid to that person. In other words, if an individual receives a payment from the Federal Government and yet has not met his or her child support obligation, the amount owed can be deducted from the payment received from the Federal Government.

The bill also authorizes private collection agencies to verify the employment information of a Federal debtor for the purpose of collecting debts owed to the Federal Government.

The bill authorizes agencies to bar delinquent debtors from obtaining a

Federal permit or license, Federal contractor or other award or renewal of a Federal benefit. H.R. 4243 also requires agencies to refer debts to a private collection agency or an agency-operated debt collection center prior to the termination of a collection action.

The bill focuses its attention on large debts. It authorizes each agency to prepare a report on high value delinquent debts; that is, debts greater than \$1 million within 90 days after the end of the fiscal year. Agencies are authorized by this legislation to seize any pledged asset if the high value debt is not repaid. H.R. 4243 contains these important provisions and many others designed to improve the efficiency and effectiveness of Federal debt collection.

This measure, along with the Debt Collection Improvement Act of 1996, is a bipartisan piece of legislation. My thanks to the ranking member, the gentleman from Ohio (Mr. KUCINICH), and the former ranking member the gentlewoman from New York (Mrs. MALONEY) for all their help. I also wish to give thanks to a former member of the staff, Mark Brasher, for the great effort that he made on behalf of this legislation in the 1996 law as well as this bill which is before us.

Madam Speaker, H.R. 4243 is a significant step forward. I urge my colleagues to support it.

Madam Speaker, I reserve the balance of my time.

Mr. WAXMAN. Madam Speaker, I yield myself such time as I may consume.

(Mr. WAXMAN asked and was given permission to revise and extend his remarks.)

Mr. WAXMAN. Madam Speaker, I want to commend my colleagues the gentleman from California (Mr. HORN), chairman of the Subcommittee on Government Management, and the gentlewoman from New York (Mrs. MALONEY) for their recent efforts to craft a bipartisan bill, and I also want to acknowledge the work done by the gentleman from Ohio (Mr. KUCINICH). I applaud their devotion to assuring that Federal debts are fully paid. Chairman Horn has been receptive to the administration's concerns with this bill. The administration is not opposed. I am hopeful that this bill will provide the government with helpful new options to recover substantial amounts of Federal taxpayer money.

I support H.R. 4243. This bill is intended to increase collections on delinquent debt owed to the Federal Government, improve federal payment systems and travel management and decrease high value debt totaling over \$1 million. This legislation will provide the Federal Government with new tools to collect debt over a million dollars. The bill would strengthen the Federal government's ability to recover substantial amounts of taxpayer money. It also enhances the ability of the Department of Justice to pursue civil actions seeking monetary damages, fines or penalties.

We urge all Members to support this bill. It is a noncontroversial piece of legislation.

More specifically, this legislation will provide additional tools for the government to improve government operations:

First, the bill contains general management improvements. It will ensure that Congress continues to receive agency audited financial statements and repeals obsolete provisions of the law. The bill will improve travel management by requiring agencies to use, to the maximum extent possible, travel management centers and electronic reservation and payment systems in order to improve efficiency and economy.

Second, the bill makes improvement to the Federal Debt Collection Improvement Act of 1996. It corrects an error which has prevented Social Security payments from being offset for the collection of child support. These debts, since they are being enforced by a State, were ineligible for offset, as State debts were specifically excluded from Social Security offset. With this correction, States will be able to move forward with implementation of this provision.

Third, I am pleased that Representative HORN has agreed to add a provision that the minority requested that authorizes the Department of Justice to obtain the assistance of outside counsel in the Department's pursuit of monetary claims, including civil fines or penalties. Due to the growing complexity of litigation, many lawsuits now require highly specialized expertise. These cases range from intricate antitrust cases involving software companies to labyrinthine fraud cases involving home health care or other types of complex consumer fraud. Outside firms have acquired substantial expertise that the Department of Justice may lack. To address this concern, section 201 of this bill amends section 3718 of title 31 to allow the Department of Justice to retain outside counsel to assist the Department in litigation seeking monetary damages, fines, or penalties.

Fourth, this bill will authorize agencies to sell nontax debts owed to the United States in order to reduce delinquent debts held by agencies. This will allow Federal agencies to obtain the maximum value for loans and debt assets. In addition, this legislation will provide agencies with increased leverage to collect debt from certain self-employed professionals. Under the bill, agencies will have the authority to deny Federal permits or licenses to delinquent Federal debtors.

Fifth, this legislation will dictate greater disclosure of high value nontax debts by requiring annual reports to Congress. It will also authorize agencies to seize the assets of delinquent debtors who owe the United States more than \$1 million.

And finally, this legislation improves financial management by authorizing agencies to accept electronic payments to satisfy a debt owed to the agency.

It is our goal in passing this legislation to improve the efficiency of our Government and to protect the financial interest of the taxpayers by collecting what is rightfully owed. This bill makes constructive changes to improve the performance of the Federal Government. It makes good sense and is good government. I urge your support for this measure.

Madam Speaker, I yield back the balance of my time.

Mr. HORN. Madam Speaker I yield, such time as he may consume to the gentleman from New York (Mr. GILMAN), my good friend and one of the ranking members of the Committee on Government Reform and Oversight.

(Mr. GILMAN asked and was given permission to revise and extend his remarks.)

Mr. GILMAN. Madam Speaker, I want to commend the gentleman from California (Mr. HORN), a senior member of our Committee on Government Oversight and Reform, for bringing this measure to the floor and for sponsoring this measure along with the gentleman from New York (Mrs. MALONEY), the gentleman from Texas (Mr. SESSIONS), the gentleman from New Hampshire (Mr. SUNUNU) and the gentleman from Pennsylvania (Mr. KANJORSKI), a bipartisan measure out of our Committee on Government Reform. It is amazing to hear the statistics that the gentleman from California (Mr. HORN) related of over \$100 million in bad debts, and \$10 million being wiped out each year, and many of those debts over 180 days due and delinquent. This is the kind of attention we should be giving in Federal management.

I remember the Grace Commission during my earlier days in the Congress, and I was pleased to follow some of his recommendations. I was the first one to insist that checks received by our government be deposited within 30 days, a very simple business like method, and I am pleased to see that the gentleman from California (Mr. HORN) is carrying on that tradition of trying to get rid of some of the waste and mismanagement in our vast bureaucracy, the Federal Government. I commend him and the sponsors, and I thank the gentleman from California (Mr. WAXMAN) for pursuing this matter as well, and I want to urge our colleagues to fully support this measure.

Mr. HORN. Madam Speaker, I yield myself such time as I may consume.

Madam Speaker, I thank the gentleman from New York (Mr. GILMAN) for his kind remarks on a number of us.

Madam Speaker, I yield back the balance of my time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from California (Mr. HORN) that the House suspend the rules and pass the bill, H.R. 4243, as amended.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill, as amended, was passed.

A motion to reconsider was laid on the table.

REQUIRING THE SECRETARY OF STATE TO SUBMIT AN ANNUAL REPORT TO CONGRESS CONCERNING DIPLOMATIC IMMUNITY

Mr. GILMAN. Mr. Speaker, I move to suspend the rules and pass the Senate bill (S. 759) to amend the State Department Basic Authorities Act of 1956 to

require the Secretary of State to submit an annual report to Congress concerning diplomatic immunity.

The Clerk read as follows:

S. 759

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. REPORTS AND POLICY CONCERNING DIPLOMATIC IMMUNITY.

Title I, of the State Department Basic Authorities Act of 1956 (22 U.S.C. 4301 et seq.; commonly referred to as the "Foreign Missions Act") is amended by inserting after section 204A the following new section:

"SEC. 204B. CRIMES COMMITTED BY DIPLOMATS.

"(a) ANNUAL REPORT CONCERNING DIPLOMATIC IMMUNITY.—

"(1) REPORT TO CONGRESS.—The Secretary of State shall prepare and submit to the Congress, annually, a report concerning diplomatic immunity entitled "Report on Cases Involving Diplomatic Immunity".

"(2) CONTENT OF REPORT.—In addition to such other information as the Secretary of State may consider appropriate, the report under paragraph (1) shall include the following:

"(A) The number of persons residing in the United States who enjoy full immunity from the criminal jurisdiction of the United States under laws extending diplomatic privileges and immunities.

"(B) Each case involving an alien described in subparagraph (A) in which an appropriate authority of a State, a political subdivision of a State, or the United States reported to the Department of State that the authority had reasonable cause to believe the alien committed a serious criminal offense within the United States, and any additional information provided to the Secretary relating to other serious criminal offenses that any such authority had reasonable cause to believe the alien committed before the period covered by the report. The Secretary may omit from such report any matter the provision of which the Secretary reasonably believes would compromise a criminal investigation or prosecution or which would directly compromise law enforcement or intelligence sources or methods.

"(C) Each case described in subparagraph (B) in which the Secretary of State has certified that a person enjoys full immunity from the criminal jurisdiction of the United States under laws extending diplomatic privileges and immunities.

"(D) The number of United States citizens who are residing in a receiving state and who enjoy full immunity from the criminal jurisdiction of such state under laws extending diplomatic privileges and immunities.

"(E) Each case involving a United States citizen under subparagraph (D) in which the United States has been requested by the government of a receiving state to waive the immunity from criminal jurisdiction of the United States citizen.

"(F) Whether the Secretary has made the notifications referred to in subsection (c) during the period covered by the report.

"(3) SERIOUS CRIMINAL OFFENSE DEFINED.—For the purposes of this section, the term "serious criminal offense" means—

"(A) any felony under Federal, State, or local law;

"(B) any Federal, State, or local offense punishable by a term of imprisonment of more than 1 year;

"(C) any crime of violence as defined for purposes of section 16 of title 18, United States Code; or

"(D)(i) driving under the influence of alcohol or drugs;

"(ii) reckless driving; or

"(iii) driving while intoxicated.

"(b) UNITED STATES POLICY CONCERNING REFORM OF DIPLOMATIC IMMUNITY.—It is the sense of the Congress that the Secretary of State should explore, in appropriate fora, whether states should enter into agreements and adopt legislation—

"(1) to provide jurisdiction in the sending state to prosecute crimes committed in the receiving state by persons entitled to immunity from criminal jurisdiction under laws extending diplomatic privileges and immunities; and

"(2) to provide that where there is probable cause to believe that an individual who is entitled to immunity from the criminal jurisdiction of the receiving state under laws extending diplomatic privileges and immunities committed a serious crime, the sending state will waive such immunity or the sending state will prosecute such individual.

"(c) NOTIFICATION OF DIPLOMATIC CORPS.—The Secretary should periodically notify each foreign mission of United States policies relating to criminal offenses committed by individuals with immunity from the criminal jurisdiction of the United States under laws extending diplomatic privileges and immunities."

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from New York (Mr. GILMAN) and the gentleman from Indiana (Mr. HAMILTON) each will control 20 minutes.

The Chair recognizes the gentleman from New York (Mr. GILMAN).

GENERAL LEAVE

Mr. GILMAN. Madam Speaker, I ask unanimous consent that all Members may have 5 days within which to revise and extend their remarks on S. 759.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. GILMAN. Madam Speaker, I yield myself such time as I may consume.

(Mr. GILMAN asked and was given permission to revise and extend his remarks.)

Mr. GILMAN. Madam Speaker, I am pleased to bring this bill before the House sponsored by the gentleman from San Dimas, California (Mr. DREIER), the distinguished senior member of the Committee on Rules. This is a measure that is substantially identical to a provision that has passed the House, is a portion of another bill, the enactment of which into law is still uncertain in the other body. It is non-controversial, and it is backed by organizations such as the Fraternal Order of Police, and the calls upon the President to seek to reform the practice of diplomatic immunity so as to assure that diplomats who commit crime are punished either in the country where they are posted or in their home country. It also provides for enhancing reporting of crimes by diplomats in this Nation and encourages the Secretary of State to communicate clearly to foreign missions in our Nation our Nation's policy of zero tolerance for diplomatic crimes.

This bill is a counterpart of a bill, H.R. 1672 introduced by the gentleman from California (Mr. DREIER) who has